



# Information Item

**Date: February 22, 2010**

To: Mayor and City Council  
From: Eileen Fogarty, Director, Planning and Community Development  
Subject: Development Agreement Review

## **Introduction**

There have been a number of questions regarding the Development Agreement (DA) process and current list of pending DA proposals. This Information Item is intended to provide general background about the pending DA proposals to assist Council in their deliberation of this issue.

The Draft LUCE, which establishes a vision for the City's future that integrates land uses with transportation systems, including the Exposition Light Rail Line, is currently under review. Hearings on the Draft LUCE and the associated Draft EIR are anticipated to occur in late spring of this year, with final adoption of the LUCE by summer.

There are currently ten Development Agreement (DA) proposals at various stages of review and discussion before the Planning Commission and City Council. Item 13-C on the Council's February 23<sup>rd</sup> agenda recommends that staff briefly forego bringing DA proposals involving expansion, intensification, or change of use before the Planning Commission or City Council until after the LUCE is adopted. Of the ten DA proposals currently under review, two are nearing the conclusion of the environmental review and negotiation process. Seven DA proposals are at the initial float up stage before the Planning Commission and City Council.

For most of the proposals, City staff has worked with the project applicants through the early planning stages to ensure that the projects incorporate principals of the LUCE, such as community benefits, affordable housing, green streets to break up existing large blocks, historic preservation, and transportation demand management strategies. With that said, if Council desires to postpone the Planning Commission and City Council review of the DA proposals until after the LUCE is adopted, the Council may wish to: 1) specify a date by which DA reviews before the Planning Commission and City Council will resume; 2) subject to an assessment of any legal issues, consider allowing the two projects that have expended considerable effort and expense to complete their environmental impact reports to move forward in the review process; and 3) consider allowing the two projects that are located on City/Agency owned property to move forward in the review process.

## **Background**

For several decades, the City has used Development Agreements to address the unique needs and opportunities associated with proposed development projects. These projects are typically larger, or otherwise more complex, and may involve multiple phases. Development Agreements provide opportunities for the City to negotiate community benefits and address high priority community needs, promote involvement by the community, Planning Commission and City Council at the earliest stages of project conceptualization, and provide the ability to consider multiple project phases and multiple projects in a coordinated and holistic manner.

In 2007, several large projects were proposed in the Light Manufacturing and Studio District (LMSD) area and there was a concern that these projects would not be coordinated, would not properly integrate into the expanded grid network of the city, and would not include adequate open space and other community benefits. Based on these concerns the City Council adopted an Interim Ordinance that required development projects in the LMSD and M1 Districts in excess of 7,500 square feet to obtain a Development Agreement. Six of the ten DA proposals currently under review are

located in the LMSD and are therefore required to obtain Development Agreements. The Draft LUCE provides the framework for the future development of the LMSD area and these principals have been applied in the review of the current proposals.

**Discussion**

While there are a number of projects currently proposed for the LMSD area, the eventual development of these projects will depend on many factors including final approval of the project by City Council, the availability of construction financing, and the demand for commercial and residential space in the area. As previously stated, there are currently ten DA proposals at various stages of review. These include the following:

<u>Project</u>	<u>Address</u>	<u>Status</u>
Colorado Creative Studio	2834 Colorado	EIR Complete
St. Monica’s	725 California	EIR Complete
Village Trailer Park	2930 Colorado	EIR Pending
Downtown Cinema	1318 4 <sup>th</sup> Street	Float Ups Pending
Agensys	1800 Stewart	PC Float Up Complete
Papermate	1681 26 <sup>th</sup> Street	PC Float Up Complete
Paseo Nebraska	3025 Olympic	PC Float Up Complete
7 <sup>th</sup> and Wilshire Hotel	710 Wilshire	Float Ups Pending
Roberts Center	2848 Colorado	Float Ups Pending
18 <sup>th</sup> and SM Mixed Use	1802 SM Blvd	Float Ups Pending

In considering the pending review process for these projects, there may be specific project characteristics such as location, retention of existing city business and jobs, and historic preservation that may warrant an exception from the Council’s action. There may also be legal issues attendant upon drawing distinctions between classes of projects. The City Attorney’s office will provide information about any such issues. The Colorado Creative Studio and St. Monica’s projects have gone through the float up process before Planning Commission and City Council, incorporated comments from

the public, Commission and Council in their formal applications, and completed public review of their required environmental impact reports. These projects are prepared to go before the Planning Commission and City Council for final hearings. The Village Trailer Park project had Planning Commission and City Council float ups in 2007, but the applicant has not initiated the preparation of the project EIR. The remaining seven projects are in the initial stages of review including extensive interaction with staff, community meetings, and Planning Commission float ups.

Two of the seven DA proposals are located on City owned property and involve projects that would allow for the relocation and retention of existing business and employers in Santa Monica. One of these is the Cinema Redevelopment project proposed for the 1400 block of 4<sup>th</sup> Street. The project would be located on City/Agency owned property in the Bayside District and would address the growing obsolescence of Santa Monica's existing cinemas. The other project is the Agensys Headquarters facility on City owned property at 1800 Stewart Street. Agensys is a Santa Monica based business that is developing cancer treatments. The company has an immediate need to locate to a larger facility and a delay in processing of their DA proposal may result in the company relocating to a location outside of Santa Monica.

Regarding the timeline of the postponement of DA reviews, it may be advisable to provide an assurance to project applicants that the process will resume by a date certain in the event that the LUCE is not adopted by mid-summer as currently planned.

### **Summary**

If Council desires to postpone the Planning Commission and City Council review of the DA proposals until after the LUCE is adopted, the Council may wish to: 1) clarify that DA reviews will resume when the final LUCE is adopted, or return to Council for further direction by September 1, 2010; 2) subject to consideration of any legal issues, provide special consideration for the two projects that have expended considerable effort and

expense to complete their environmental impact reports; and 3) provide special consideration for the two projects that are located on City/Agency owned property.

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**PENDING DEVELOPMENT AGREEMENT PROJECTS**

Project Name	Float Up?	Project Location	Project Description
Creative Studio Lionsgate	Complete	2834 Colorado Ave	151,600 sf creative studio building with a 550 space garage, childcare center and extension of Pennsylvania Ave <b>Status: DEIR Comment Period Ended 1/5/10 - PC Hearing March/April, CC Pending</b>
St. Monica's Catholic Church	Complete	725 California Ave	Phased Campus Master Plan <b>Status: DEIR Comment Period Closed, PC Hearing 3/17/10, CC 4/13/10</b>
AMC Theater	PC and CC Pending	1318 4th Street	82,000 square foot, 12 screen movie theater on site of existing city owned parking structure #3. <b>Status: Community Meeting April 2010, PC Float-Up 4/21/10 , CC Float-Up 4/27/10</b>
710 Wilshire	PC and CC Pending	SEC of Wilshire Blvd and 7th Street	Convert existing landmarked building to 256 room hotel and construct new building w/ 16 residential units. Project includes ground floor commercial space <b>Status: Community Meeting 4/16/09, PC Float-Up 6/10/09, CC Float-Up 5/11/10</b>
Roberts Center	PC and CC Pending	2848-2912 Colorado Avenue	Mixed-use project with 84 residential units, 12,000 sf retail space and 135,000 sf creative studio space <b>Status: Community Meeting held 5/7/09, PC Float-Up , CC Float-Up 6/8/10</b>
Village Trailer Park	Complete	2930 Colorado Ave	229,860 sf project with 240 condos, 109 rental units, 40,030 sf office space, 8,030 retail and 503 parking spaces <b>Status: PC and CC Float-Up - 2007, EIR Pending</b>
Papermate	PC Complete CC Pending	NEC Olympic and Stewart	330,000 sf residential, 60,000 sf retail and 579,000 sf creative arts office space <b>Status: Community Meeting held 12/15/09 - PC Float-Up 1/27/10, CC 4/27/10</b>
Paseo Nebraska	PC Complete CC Pending	3030 Nebraska Ave/ 3025 Olympic Blvd	545 residential units, 75,000 sf creative studio space, 5,000 sf retail space and associated parking <b>Status: Community Meeting 1/14/10, PC Float-Up 2/3/10, Council Float-Up Pending</b>
Agensys	PC 2/17/10 CC Pending	Stewart Ave, south of Olympic	Office/Lab/Manufacturing Complex - 153,000 sf building with 300 parking spaces <b>Status: Community Meeting 1/19/10, PC Float-Up 2/17/10, Council Float-Up 4/13/10</b>
18th and SM Mixed-Use	PC and CC Pending	SEC 18th and Santa Monica	3 story mixed-use with 32 residential units, 9400 sf commercial space and two levels of subterranean parking <b>Status: Community Meeting, PC Float-Up and Council Float-Up Pending</b>